

*Sub A3*

WHAT IS CLAIMED IS:

1. A method of performing financial processing in a computer, comprising:  
5 (a) accessing account, event and organization attributes from a database accessible by  
the computer, wherein: (1) the account attributes comprise data about accounts being  
measured, (2) the event attributes comprise data about account-related transactions, and (3)  
the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the  
account, event and organization attributes accessed from the database, as well as one or  
more profit factors and one or more rules, wherein the profitability calculations comprise:

10              Profit ( $a_i$ )        =        Net Interest Revenue (NIR) ( $a_i$ )  
                          +        Other Revenue (OR) ( $a_i$ )  
                          -        Direct Expense (DE) ( $a_i$ )  
                          -        Indirect Expense (IE) ( $a_i$ )  
                          -        Risk Provision (RP) ( $a_i$ )

15 for an account  $a_i$ , and

(c) performing one or more earnings calculations in the computer using results from  
the profitability calculations, as well as shareholder value add attributes and tax adjustment  
attributes accessed from the database, wherein the earnings calculations comprise:

$$E(a_i) = [ \text{Profit}(a_i) - \text{SVA}(a_i) ] * (1 - \text{EffectiveTaxRate})$$

20 wherein:

EffectiveTaxRate =  $(1 - \text{tax rate}_2) * (\text{tax rate}_1 + \text{tax rate}_2)$ , tax rate<sub>1</sub> and tax rate<sub>2</sub> are  
effective rates, tax rate<sub>2</sub> is deducted from income, and tax rate<sub>1</sub> is not deducted from income,

$$\text{SVA}(a_i) = \text{Risk Adjusted Hurdle Rate} * \text{Allocated Capital},$$

$$\text{Risk Adjusted Hurdle Rate} = \alpha + \beta(a_i) * x,$$

25  $\alpha$  is a risk free rate on capital,

$x$  is a market premium of a Financial Institution's capital relative to the market, and

$\beta(a_i)$  is a function of a cohort of accounts in which  $a_i$  is a member.

30 2. The method of claim 1, further comprising performing one or more total  
earnings calculations in the computer using results from the earnings calculations, wherein  
the total earnings calculations comprise:

Total Earnings =  $\sum_i$  [ Earnings (a<sub>i</sub>) ]

for all accounts a<sub>i</sub>.

3. A system for financial processing, comprising:

5 a computer;

logic, performed by the computer, for:

10 (a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

15 (b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations comprise:

20 Profit (a<sub>i</sub>) = Net Interest Revenue (NIR) (a<sub>i</sub>)  
+ Other Revenue (OR) (a<sub>i</sub>)  
- Direct Expense (DE) (a<sub>i</sub>)  
- Indirect Expense (IE) (a<sub>i</sub>)  
- Risk Provision (RP) (a<sub>i</sub>)

for an account a<sub>i</sub>,

25 (c) performing one or more earnings calculations in the computer using results from the profitability calculations, as well as shareholder value add attributes and tax adjustment attributes accessed from the database, wherein the earnings calculations comprise:

E(a) = [ Profit(a<sub>i</sub>) - SVA(a<sub>i</sub>) ] \* (1 - EffectiveTaxRate)

wherein:

30 EffectiveTaxRate = (1 - tax rate<sub>2</sub>) \* (tax rate<sub>1</sub>) + tax rate<sub>2</sub>, tax rate<sub>1</sub> and tax rate<sub>2</sub> are effective rates, tax rate<sub>2</sub> is deducted from income, and tax rate<sub>1</sub> is not deducted from income,

SVA(a<sub>i</sub>) = Risk Adjusted Hurdle Rate \* Allocated Capital,

Risk Adjusted Hurdle Rate =  $\alpha + \beta(a_i) * x$ ,

$\alpha$  is a risk free rate on capital,

$x$  is a market premium of a Financial Institution's capital relative to the market, and

5            $\beta(a_i)$  is a function of a cohort of accounts in which  $a_i$  is a member.

4.       The system of claim 3, further comprising logic for performing one or more total earnings calculations in the computer using results from the earnings calculations, wherein the total earnings calculations comprise:

10           Total Earnings =  $\sum_i [ \text{Earnings } (a_i) ]$

for all accounts  $a_i$ .

5.       An article of manufacture embodying logic for performing financial processing in a computer, comprising:

15           (a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

20           (b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations comprise:

$$\begin{aligned} \text{Profit } (a_i) &= \text{Net Interest Revenue (NIR)} (a_i) \\ &+ \text{Other Revenue (OR)} (a_i) \\ &- \text{Direct Expense (DE)} (a_i) \\ &- \text{Indirect Expense (IE)} (a_i) \\ &- \text{Risk Provision (RP)} (a_i) \end{aligned}$$

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for an account  $a_i$ , and

30           (c) performing one or more earnings calculations in the computer using results from the profitability calculations, as well as shareholder value add attributes and tax adjustment attributes accessed from the database, wherein the earnings calculations comprise:

$$E(a_i) = [ \text{Profit}(a_i) - \text{SVA}(a_i) ] * (1 - \cancel{\text{EffectiveTaxRate}})$$

wherein:

EffectiveTaxRate =  $(1 - \text{tax rate}_2) * (\text{tax rate}_1)$ , tax rate<sub>2</sub>, tax rate<sub>1</sub> and tax rate<sub>2</sub> are effective rates, tax rate<sub>2</sub> is deducted from income, and tax rate<sub>1</sub> is not deducted from income,

5 SVA( $a_i$ ) = Risk Adjusted Hurdle Rate \* Allocated Capital,

Risk Adjusted Hurdle Rate =  $\alpha + \beta(a_i) * x$ ,

$\alpha$  is a risk free rate on capital,

$x$  is a market premium of a Financial Institution's capital relative to the market, and

$\beta(a_i)$  is a function of a cohort of accounts in which  $a_i$  is a member.

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6. The article of manufacture of claim 5, further comprising performing one or more total earnings calculations in the computer using results from the earnings calculations, wherein the total earnings calculations comprise:

$$\text{Total Earnings} = \sum_i [\text{Earnings}(a_i)]$$

15 for all accounts a<sub>i</sub>